

Congress of the United States
Washington, DC 20515

June 5, 2008

The Honorable Sue Payton
Assistant Secretary of the Air Force for Acquisition
1060 Air Force Pentagon
Washington, DC 20330

Dear Secretary Payton,

Among the many troubling dimensions of the Air Force evaluation and decision processes that led to its award of the KC-X Tanker contract to the EADS team, one that we want to call to your attention is the relative risk of the two proposals. It is astounding that the Air Force could conclude that the relative risks of the two proposals are comparable in terms of cost, schedule and technical performance.


On the one hand, you have the EADS team that proposed to build the first several planes in a number of different combinations of production facilities (most of which are either overseas or do not exist today). This approach entails building new facilities, hiring and training a new workforce, transferring design and production information among multiple nations, languages and cultures, and establishing and certifying production processes multiple times.

In contrast, the Boeing bid proposes to make a one-time investment of time and effort on the front end of the program to adapt an existing production line and develop production processes that maximize the in-line militarization modifications on an ITAR-compliant line that will be proven and certified only once. This is consistent with the underlying approach used by the Rand Corporation in the KC-X Tanker Analysis of Alternatives; an approach that they used because it "eliminates the rework of sequential green aircraft production and tanker modification at two locations."

Also, we point out that the approach of the Boeing KC-X proposal is fundamentally the same as the one that they are successfully using today for the Navy's P-8A Poseidon aircraft. This program, awarded to Boeing in 2004, is performing on its original program plan to begin delivering aircraft next year. Last year, the P-8A program "completed its critical design review with no U.S. Navy request for action by the company." Much more recently, the P-8A program manager, CAPT Joe Rixey, declared himself "very impressed" with the level of integration of the Boeing production system for the aircraft. Just a couple of weeks ago, VADM David Venlet (Commander of Naval Aviation Systems Command) stated "Normally with non-commercial-built airplanes, it takes us longer to build them and we have more time, but with this one, we're almost running behind Boeing to catch up and to keep up with that airframe, and we're very pleased with that concept." For your information, we have enclosed a few relevant news articles about this successful program.

The program risk dimension of the Air Force's evaluation of KC-X proposals is one of several that just do not pass the common sense test. We believe that the Air Force owes Boeing, Congress, and the American people a clear explanation of how it conducted its evaluation of KC-X proposals and reached its confounding decision.

Sincerely,


Norm Dicks
Member of Congress


Todd Tiahrt
Member of Congress